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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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of the Interior

AGEMENT

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IN REPLY REFER TO: 3482 UTU-86038 (UT-923)

Certified Mail--Return Receipt Requested Certificate No. 7008 1140 0000 3706 1024

US Department of Interior Office of Surface Mining PO Box 46667 Denver, Colorado 80201-6667

Attn: Carl Johnston, Federal Lands Coordinator

Re: Recommendation for Initial Approval – Resource Recovery and Protection Plan (R2P2);

addition of new Federal Coal Lease UTU-86038 and extension of "00-North" Panel,

Emery Mine

Dear Mr. Johnston:

The Bureau of Land Management (BLM) received on September 16, 2009, a request from Consol Energy (Consol) for revision of the existing Resource Recovery and Protection Plan (R2P2) at the subject mine. The proposed R2P2 revises the mine layout to include a new 120 acre Federal Coal Lease UTU-86038 (also known as "Miller Canyon", the yellow dashed outlined area on the attached map). Consol was the successful bidder for the coal tract and the coal lease is anticipated to be awarded in October 2009. This letter summarizes and documents the BLM's findings and decision on this new R2P2.

This new lease represents a continuation of the 00-North Panel which is currently being mined on Consol Fee Coal. This is a Continuous miner (CM) panel and will extend onto the Miller Canyon Lease at such time as the development reaches the new lease and all necessary approvals are granted, including Assistant Secretary of the Interior approval, as required for all new Federal Coal Leases. This mine was inspected by BLM on May 14, 2009 and August 28, 2009.

Proposed Plan: Consol has entered into panel 00-North on their fee land. The section has been necked-off to the southeast and will then turn in a northeasterly direction, in 6 entries towards the new Federal lease. These entries will be mining under very shallow cover (less than 200') skirting "burned" (oxidized) outcrop coal to the southeast and rock partings to the northwest. As such, the number of entries may change from time to time by either dropping or picking up entries as required. The current mining of 00-North on Fee land would be extended to the northeast onto the Miller Canyon Lease once the lease sale took place and Secretarial approval for the new mining plan was issued. Mining will proceed on the Fee land to the northeast and it

is expected that by the time Consol reaches the new lease boundary, that the permitting and Secretarial approval necessary to cross over into the new lease will have been received.

Reasoning behind this change (addition) was to add the new Miller Canyon Federal Coal Lease (UTU-86038). The new Federal Coal Lease is not yet within the currently approved Logical Mining Unit (LMU) boundary and in order for it to be included into the LMU and made a part of the LMU-wide bond, Consol Energy will need to apply for this inclusion to the BLM Authorized Officer.

<u>Maximum Economic Recovery (MER):</u> Full extraction of recoverable coal reserves will enable MER of the coal in Federal Coal lease UTU-86038 to be achieved, assuming that all other approvals are received for this new Federal Coal Lease mine plan.

Recoverable Reserve Base: The estimated recoverable coal base for UTU-86038 is 0.56 million tons. This recommendation for approval represents an increase in LMU tonnage (fee coal) of 560,000 tons recoverable.

Approval Recommendation: The plan allows for development of the new 00-North panel onto the new lease and will also allow retreat mining as approved. It is important to note that this recommendation for approval is subject to all coal lease stipulations as outlined in the lease document.

The BLM finds the submitted R2P2 in compliance with the Mineral Leasing Act of 1920, as amended, the lease terms and conditions, the regulations at 43 CFR 3480. The BLM has also determined that the R2P2 (as submitted on September 16, 2009) will achieve maximum economic recovery of the Federal coal. We therefore recommend that the Secretary approve the R2P2 as part of the Federal Mine Plan.

A copy of the approved mine map is enclosed.

Sincerely,

3/ Roger L. Bankert

Roger Bankert Chief, Branch of Minerals

Enclosure:

Approved Mine Map

cc: Ian McClain (w/ Enclosure) Consol Energy, Emery Mine PO Box 527 Emery, Utah 84522

> Daron Haddock, Coal Program Manager Utah Division of Oil Gas and Mining (w/ Enclosure) 1594 West North Temple, Suite 1210 Salt Lake City, Utah 84114-5801

UT-070, Price Field Office (w/ Enclosure) MillerCanyonLBAJM-SA-10-01-09

